

May 2, 2012

Chairman Knollenberg and Members of the House Banking and Financial Services Committee,

Thank you for the opportunity to testify today on behalf of the Michigan Credit Union League & Affiliates in regard to credit union programs for financial literacy. We appreciate this opportunity to provide an overview as well as specific examples of the financial education outreach that Michigan credit unions engage in.

As you are well aware, the need for financial literacy outreach is significant. April is Financial Literacy Month. This designation, along with Money Smart Week Michigan and National Credit Union Youth Week in April, shines a spotlight on the need for financial education and personal financial planning. Improving the financial lives of their members and their communities is an important part of the social mission of credit unions; they are well-positioned to help Michigan consumers of all ages in their need for trustworthy sources of financial education and money management guidance in April and throughout the year.

Credit unions partner with lawmakers to conduct joint youth financial education presentations during Financial Literacy Month with 53 events taking place last April. Many credit union financial education events populated the calendar listings for Money Smart Week Michigan last week, an initiative coordinated by the Federal Reserve Bank of Chicago.

Credit union financial education is not limited to Financial Literacy Month. Michigan credit unions lead the nation in youth financial education. Michigan youth are learning to make a habit of saving money at one of the 366 student credit union branches operated in schools by 57 credit unions. Collectively, student members saved more than \$1.5 million in 2010 according to the National Credit Union Foundation's Credit Union Member Financial Education Inventory. Michigan leads the nation in the number of student credit union branches. According to the National Youth Involvement Board, nearly 50,000 students attended one of the 1,909 classroom financial literacy presentations conducted in schools by Michigan credit union financial educators in the 2010-2011 school year.

Michigan credit unions and the credit union system also provide support to several financial education programs. Biz Kid\$ is an Emmy award-winning and credit union-funded PBS series that teaches kids about money management and entrepreneurship. During the past six years, more than 260 credit unions and system affiliates have raised more than \$10.4 million that has supported the show's production, website and curriculum. In Michigan, CU Solutions Group, through its Invest in America program, has pledged to commit \$700,000 for the second year in a row toward the national underwriting of Biz Kid\$.

Michigan credit unions support Exchange City in Taylor, a remarkable miniature city that allows students to obtain hands-on business and financial experience while governing, managing and operating the city. Michigan credit unions partner with MSU Extension to bring free training and curriculum to Michigan teachers for the National Endowment for Financial Education's High School Financial Planning Program.

Michigan credit unions are committed to improving the financial lives of Michigan residents and positively impacting the statewide economy. Michigan credit unions who participated in the NCUF's 2011 Financial Capacity Study reported they spend an estimated \$826,500 on financial education programs, not counting staff time.

Credit unions throughout the state enrolled 180 credit union professionals in a financial counseling training and certification program in the last two years; building skills to help consumers with budget and financial management counseling and education. Many credit unions provide consumers access to financial resources on their websites and through the LoveMyCreditUnion.org website's Financial Resource Center. In response to the housing crisis, MCUL & Affiliates created an award-winning education video and comprehensive website guide to help consumers avoid and solve mortgage problems, the Right At Home Video and RightAtHomeAnswers.org website. Current impact is shown through the Second Quarter 2011 NCUA Call Report data where Michigan credit unions are experiencing fewer delinquencies and charge offs and a reduction in the rate of bankruptcy among members.

Michigan credit unions have been recognized statewide and nationally for their contributions to financial literacy in their communities. A first-place Desjardins Adult Financial Education Award was awarded to Michigan Schools & Government Credit Union in Clinton Township for providing monthly financial education seminars to hundreds of adult members and free financial counseling to individual members struggling with money management. Public Service Credit Union in Romulus has been recognized for their youth financial education outreach as well as their adult financial education seminars on credit repair that helps economically challenged members, typically older, nontraditional students attending a community college. Extra Credit Union in Warren is a Desjardin Youth Award winner for their extensive financial education department that works to bring the National Endowment for Financial Education's curriculum to teachers and students in central and eastern Michigan, teaching the curriculum weekly at seven high schools in five districts.

These financial education outreach activities, coupled with credit union products geared towards helping members build assets, avoid excessive fees and use debt appropriately will continue to make a positive impact in the financial lives of Michigan consumers. These products include the Save To Win account that uses incentives to encourage consumers to build savings, credit rebuilder loans, and consumer-friendly short-term, small-dollar and used auto loans.

Again, the MCUL & Affiliates appreciates the opportunity to provide this overview of credit union financial education activities illustrating the importance that credit unions place in this area and the significant resources they use to help consumers improve their financial lives and contribute to improving local and state economy.

Sincerely,



Beth Troost

Financial Education Coordinator

MCUL & Affiliates